

# World Forum of CSDs



# NEWS

November 2013 / Edition One

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## Letter from the Chairman - Eddie Astanin



Welcome to the first edition of the World Forum of CSDs' (WFC) newsletter. Formed in April 2011, the WFC comprises the five regional CSD associations from around the world. The Forum aims to exchange CSD industry-related information, examine issues of common interest and increase the influence and engagement on cross-regional and global developments, as well as provide a collective voice on issues relevant to the various associations and their members.

The WFC is represented by a Board of 10 members, being the Chairs and Vice-Chairs of each of the five regional associations (representing over 125 member CSDs internationally) as follows:

1. Asia-Pacific Central Securities Depository Group (ACG)
2. Americas' Central Securities Depositories Association (ACSDA)
3. Association of Eurasian Central Securities Depositories (AECSO)
4. Africa & Middle East Depositories Association (AMEDA)
5. European Central Securities Depositories Association (ECSDA)

The 2013 year has been an exciting period for the WFC, as the Forum has gone from strength to strength. Not only did we witness the 12th biennial meeting of CSDs (CSD12) in my home city of Saint Petersburg in Russia, but the WFC's work and prominence was enhanced through our collaboration with other industry-related bodies, such as the International Securities Services Association (ISSA), the World Bank, the Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO).

In addition, the WFC launched its official website ([www.worldcsds.wordpress.com](http://www.worldcsds.wordpress.com)) and concluded the Terms of Reference for the WFC Board (available on the website) charting the way forward for the WFC.

The year also saw some comings and goings of many renowned people in the CSD industry. Firstly, I would like to thank Mr Mohamed Abdel Salam from Egypt for his capable work chairing the WFC from April 2011 to May 2013. I was fortunate to inherit a Forum with a sound foundation and hope that

I will be able to continue with the work started during Mr Mohamed's tenure.

On behalf of the WFC, I would also like to thank Mary Ann Callahan, formally from ACSDA and Joel Mère from ECSDA for their tremendous contribution to the WFC as the outgoing Chairpersons of their respective regional associations.

We welcome the newly appointed Chairpersons of ACSDA, ECSDA and ACG, Jorge Hernan Jaramillo, Mathias Papenfuss and Muhammad Hanif Jakhura respectively, to the WFC Board.

We also congratulate Mr Yoshinobu Takeuchi's on his appointment as the Honorary Chairman of the WFC Board and to the ACG Executive Committee. Mr Takeuchi was instrumental in establishing the WFC and we value his contribution to the Forum and the industry. Finally, thank you to all the WFC Board members and regional secretariats for their support and contribution in 2013. I look forward to working with everyone in the New Year for the benefit of the WFC and the CSD industry internationally.

Eddie Astanin  
WFC Chairman

## CSD 12 - St Petersburg, Russian Federation

The National Depository Center (NDC) of Russia and the Association of Eurasian Central Securities Depositories (AECSO) hosted the 12th Conference of Central Securities Depositories from 29 May 2013 to 31 May 2013 in Saint Petersburg, Russian Federation. The conference was hugely successful and attended by over 230 delegates from around the world with the WFC Board playing a key role determining the agenda and speakers for the event.

In conjunction with the St. Petersburg conference, the WFC Board held one of their biannual meetings to discuss the various projects and initiatives highlighted in this newsletter. This was an open meeting with all CSD12 delegates invited to attend the meeting. The meeting was very successful with more than 100 representatives from various CSDs around the world attending.

May 29 WFC



WFC Board Members: Monica Singer, AMEDA / South Africa, Mr Mohamed Abdel Salam, AMEDA / Egypt, Eddie Astanin, AECSD / Russian Federation, Mr Takeuchi, ACG / Japan

May 29 WFC



Eddie Astanin, Chairman of the WFC

May 29 WFC



WFC Board Meeting

# WFC Submissions to CPSS-IOSCO

During the latter part of 2012 and much of 2013 The Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) published some of their final papers on their Principles for Financial Market Infrastructures (PFMIs), the new international standards for Financial Market Infrastructures (FMIs). The 24 Principles apply to all systemically important infrastructures, such as CSDs, securities settlement systems, central counterparties and trade repositories.

Jurisdictions globally are in the process of incorporating the PFMIs into their regulatory frameworks to foster the safety, efficiency and resilience of their FMIs. CPSS-IOSCO have strengthened and harmonised their previous standards by raising minimum requirements, providing more detailed guidance, and broadening the scope of the standards to cover new risk-management areas and new types of FMIs.

The WFC was fortunate to be actively involved in providing feedback to CPSS-IOSCO on behalf of the CSD industry and made formal submissions in respect of the Final CPSS-IOSCO Disclosure Framework & Assessment Methodology in December 2012, and the CPSS-IOSCO consultative report on the Recovery of FMIs infrastructures in October 2013. The WFC is supportive of the work being undertaken by CPSS-IOSCO and has welcomed the opportunity to comment on these papers on behalf of the CSD industry.

For further information regarding the submissions made to CPSS-IOSCO on behalf of the WFC, please visit the website at [www.worldcsds.wordpress.com](http://www.worldcsds.wordpress.com)

## WFC Single Disclosure Project

A Task Force was formed in May 2012 to look at possibility of devising a harmonised disclosure reporting format for the CSD industry. This will enable CSDs globally to efficiently and comprehensively respond to multiple assessments and questionnaires they typically complete annually, via a single consolidated document, since these questionnaires contain substantially overlapping information and reporting requirements. Included in the initial phase of this initiative are the Association of Global Custodians (AGC) questionnaire and the new CPSS-IOSCO Disclosure Framework.

While the WFC fully recognises the differing scope and objectives of these different questionnaires, preliminary work carried out by the WFC Task Force reveals that many of the questions cover similar ground. Given the considerable resources that CSDs dedicate to these disclosures, the potential to consolidate the AGC and

CPSS-IOSCO Disclosure Framework requirements into a Single Disclosure would have considerable benefits for CSDs (simplified and more efficient data collection process) and regulators (enhanced level of disclosure).

The WFC has no intention of modifying the scope and content of the CPSS-IOSCO Disclosure Framework and of the AGC questionnaire, but rather looking to explore ways to encourage all CSDs to regularly contribute to both disclosure exercises by streamlining and facilitating the collection of the required information.

We are confident that this Single Disclosure project will be mutually beneficial for the CPSS, IOSCO, AGC, the regional CSD associations and their members and we will continue to engage with all stakeholders as the work moves forward.



# ISSA Operating Committees

The International Securities Services Association (ISSA) has long been an industry focal point to address issues that are of central importance to the securities services industry. With approximately 40% of its members consisting of Central Securities Depositories (CSDs), it is only natural that ISSA and the WFC should collaborate and work closely together.

The WFC is represented on the ISSA Operating Committees by Monica Singer of South Africa. During 2013 the WFC providing valuable input to ISSA on a number of its industry papers which included topics such as corporate actions and out-of-network assets. Moving forward, the organisations have agreed to work even more closely, with ISSA being invited to attend the upcoming WFC meeting in Switzerland in May 2014.

# Launch of the WFC Website and Social Media Profile

The WFC proudly launched their website in July 2013 and readers are encouraged to visit the site. The main purpose of the site is to raise the public profile of the WFC and promote our activities. Readers can also keep up on the activities of the WFC by following us on LinkedIn and Twitter



[www.linkedin.com/groups/WFC-World-Forum-CSDs-4438023/about](http://www.linkedin.com/groups/WFC-World-Forum-CSDs-4438023/about)



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WFC makes 6 recommendations to global regulators in response to CPSS IOSCO consultative report on recovery of FMs | [buff.ly/19F2p8s](http://buff.ly/19F2p8s)  
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**WFC Secretariat** 5 Sep  
@WorldCSDs  
The World Economic Forum has published its latest Global Competitiveness Report

## World Forum of CSDs

The WFC is composed of the five regional CSD associations of Asia-Pacific, the Americas, Eurasia, Africa and the Middle East, and Europe.



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### WFC comments on CSD recovery

Posted on 11/10/2013

In its response to the CPSS IOSCO consultative report on the recovery of financial market infrastructures, the World Forum of CSDs makes 6 key recommendations to global regulators:

- CSDs should have sufficient discretion and flexibility to choose the most appropriate recovery tools and their sequence:** Indeed, CSDs are different from CCPs in that they typically do not have a "default waterfall", and in case of a major crisis, it is important that recovery of a CSD is not hampered by a rigid sequence that might not be appropriate to the particular situation.
- The report should clarify which tools apply to which type of infrastructure:** While some recovery tools covered in the report will never be applicable in the case of CSDs, others are likely to apply to most CSDs. Others might only be relevant for a few CSDs, such as those operating under a banking license. To facilitate implementation, the WFC suggests that CPSS and IOSCO add a summary table specifying which tools may (but do not always have to) be used by each type of infrastructure.
- The report should recognize that loss sharing will in many cases not be**

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## Conference CPSS-IOSCO Disclosure Governance Recovery Resolution

### WFC Pictures



# Upcoming Events

The next **WFC meeting** will take place on **20 May 2014 in Zurich, Switzerland**. Should you require more details regarding the meeting, please contact the WFC Secretariat, whose details are below.



The conference of the **World's Central Securities Depositories (WFC 2015)** will be held in **Cancun, Mexico, from 19 - 22 May 2015**. The 13th edition of this biennial event will be hosted by Indeval, the national depository of Mexico, in conjunction with ACSDA.

# Background to the WFC

On April 15, 2011, at the closing of the CSD11 conference in Cape Town, South Africa, the five regional CSD associations announced the formation of the World Forum of CSDs (WFC) in order to further enhance inter-association communications. The WFC provides a forum for regional CSD associations to exchange information, discuss issues of common interest and increase their influence and engagement on cross-regional and global developments.

The Forum has a Board composed of 10 members, being the Chairs and Vice-Chairs of each of the five regional associations. Eddie Astanin of AECSD is currently the WFC Chairman, Mr. Mohamed Abdel Salam of AMEDA is the Vice Chairman and Mr. Yoshinobu Takeuchi of ACG is the Honorary Chairman.

For further information, visit [www.worldcsds.wordpress.com](http://www.worldcsds.wordpress.com).



# Contact Details

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